

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PARCEL SELECT & PARCEL RETURN SERVICE CONTRACT 5
(MC2014-1)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2014-1

**NOTICE OF UNITED STATES POSTAL SERVICE OF AMENDMENT TO
PARCEL SELECT AND PARCEL RETURN SERVICE CONTRACT 5,
WITH PORTIONS FILED UNDER SEAL**
(September 23, 2016)

The Postal Service hereby provides notice that the terms of Parcel Select & Parcel Return Service Contract 5, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Parcel Select & Parcel Return Service Contract 5 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective one business day after the Commission completes its review of this filing.

This amendment will not materially affect the cost coverage of Parcel Select & Parcel Return Service Contract 5. Therefore, the supporting financial documentation and financial certification initially provided in this docket remain applicable. The Postal Service hereby incorporates by reference the Application for Non-Public Treatment originally filed in this docket, for the protection of the material that has been filed under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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September 23, 2016

ATTACHMENT A

**REDACTED AMENDMENT TO
PARCEL SELECT AND PARCEL RETURN SERVICE CONTRACT 5**

[REDACTED]

[REDACTED]

[REDACTED]

“Annual Growth Percentage” means, with respect to any Contract Year, the converse of (i) (A)

[REDACTED]

The following examples are for illustrative purposes only:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Annual Adjusted Cap applicable to Parcel Select packages in a given Contract Year (as described above) will also apply to Parcel Return Service packages with respect to such Contract Year. [REDACTED]

[REDACTED]

2. If the Postal Service maintains or decreases published rates of general applicability for Parcel Select or Parcel Return Service, there will be no change to contract pricing for that Contract Year; provided, that if published rates in effect at the time of shipping are lower than the rates available under this Contract, the Postal Service agrees that such lower published rates will apply to Customer in lieu of the rates provided under this Contract.
 3. The Postal Service will supply Customer the updated price for each cell shown in Table 1 no later than September 1st of each Contract Year.
 4. If for any Contract Year the Consumer Price Index – Urban 12 month rolling average exceeds [REDACTED] as reported by the Postal Regulatory Commission, the Parties will use commercially reasonable efforts to make any adjustments to the table in I.J.1 (regarding the Annual Adjustment Cap) as mutually agreed to by the Parties.
- [REDACTED]

5. The Parties agree to perform a mid-term evaluation of the table in I.J.1 (regarding the Annual Adjustment Cap) at the conclusion of the Contract Year ending September 30, 2019 to mutually determine if any adjustments are necessary and desirable for the remaining term of the Contract.

Section III of the Contract is hereby amended and restated in its entirety, as follows:

III. Expiration Date and Termination

This Contract will expire [REDACTED] years from the effective date, unless (1) terminated by either Party with [REDACTED] prior written notice to the other Party in writing, (2) renewed by mutual agreement in writing, (3) superseded by a subsequent contract between the Parties, (4) ordered by the Commission or a court, or (5) required to comply with subsequently enacted legislation. Furthermore, each Party reserves the right to terminate this Contract as set forth above without penalty except that the Postal Service may not terminate this Contract without cause with an effective date during the period of October 1 through January 15; accordingly, in order for termination by the Postal Service to become effective before January 16 of any year, the Postal Service must exercise the termination right before April 1 of the preceding year.

At the conclusion of this Contract term both parties agree if a preparation of a successor Negotiated Service Agreement (NSA) is active, the NSA will be extended for up to two (2) ninety (90) day periods with official notification to the Commission at least seven (7) days prior to the Contract expiring. Upon both parties agreement of the extension, the escalation clause will be implemented in Section I.J, throughout the extension period.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed
as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: DocuSigned by: Cliff Rucker
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Printed Name: Cliff Rucker

Title: VP Sales

Date: September 9, 2016

